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EXAMINER

RANKINS, WILLIAM E

ART UNIT	PAPER NUMBER
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3609

MAIL DATE	DELIVERY MODE
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08/29/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/644,281

Applicant(s)

SPIELER ET AL.

Examiner

William E. Rankins

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 August 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☒ Claim(s) 6 and 7 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- ☐ Notice of Informal Patent Application
- ☐ Other: _____

Detailed Action

1. The specification is objected to as failing to provide proper antecedent basis for the claimed subject matter. See 37 CFR 1.75(d)(1) and MPEP § 608.01(o).

Correction of the following is required: There is no reference in the specification to the method of claims 6 or 7.

2. A review of the claims and updated search necessitated the rejections below.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1, 20-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claimed invention must produce a useful, tangible and concrete result. An invention which is eligible for patenting under 35 U.S.C 101, is in the "useful arts" when it is a machine, manufacture, process or composition of matter, which produces a useful, concrete and tangible result. The fundamental test for patent eligibility is thus to determine whether the claimed invention produces a useful tangible and concrete result. See *AT&T v. Excel Communications Inc.*, 172 F.3d at 1358, 50 USPQ 2d at 1452 and *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d at 1373, 47 USPQ 2d at

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1601 (Fed. Cir. 1998). The test for practical application as applied by the examiner involves the determination of the following factors.

a)“Useful” – The Supreme Court in *Diamond v. Diehr* requires that the examiner look at the claimed invention as a whole and compare any asserted utility with the claimed invention to determine whether the asserted utility is accomplished.

Applying utility case law the examiner will note that:

i. Utility need not be expressly recited in the claims, rather it may be inferred.

ii. If the utility is not asserted in the written description, then it must be well established.

b)“Tangible” – Applying *In re Warmerdam*, 33 F.3d 1354, 31 UAPQ 2d 1754 Fed. Cir. 1994), the examiner will determine whether there is simply a mathematical construct claimed, such as a disembodied data structure and method of making it. If so, the claim involves no more than manipulation of an abstract idea and is, therefore, nonstatutory under 35 U.S.C 101. In *Warmerdam*, the abstract idea of a data structure became capable of producing a useful result when it was fixed in a tangible medium, which enabled its functionality to be realized.

c)“Concrete” – Another consideration is whether the invention produces a “concrete” result. Usually, this question arises when a result cannot be assured. An appropriate rejection under 35 U.S.C 101 should be accompanied by a lack of

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enablement rejection, because the invention cannot operate as intended without undue experimentation.

In the present case, claims 1, 20-24 do not identify a useful, or tangible result but simply outline a process for manipulating data. Claim 21 in particular is directed to non-functional descriptive material and is therefore not statutory. Claim 21 is directed to software, per se, lacking storage on a medium, which enables any underlying functionality to occur.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless —(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1, 2, 11, and 21-23 are rejected under 35 U.S.C. 102(b) as being unpatentable over Cobrinik et al. (7,231,364 B1).

As per claim 1;

Cobrinik discloses:

A method for managing collateralized obligations, the method comprising:
identifying a plurality of debt obligations (See Col. 4, lines 49-60) , which together constitute an index;
linking a first deal to the index (See Col. 4, lines 15-17);
linking a second deal to the index (See Col. 4, lines 15-17);

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changing at least one debt obligation in the index (See Col. 4, lines 15-17) ; and responsive to the change of the debt obligation in the index, changing an obligation of the linked first deal (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

As per claim 2;

Cobrinik discloses:

A method according to claim 1, further comprising responsive to the change of the debt obligation in the index, changing an obligation of the linked second deal (See Col. 4, lines 49-53).

As per claim 11;

Cobrinik discloses:

A method according to claim 1, further comprising:
responsive to a change of a debt obligation in the index, breaking the link to the first deal (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

As per claim 21;

Cobrinik discloses:

The code for managing collateralized obligations (Col. 9, lines 1-6).

As per claim 22;

Cobrinik discloses:

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A computer readable medium having code for managing collateralized debt obligations (Col. 8, lines 48-50).

As per claim 23;

Cobrinik discloses:

A programmed computer for managing collateralized debt obligations (Col. 8, lines 44-48).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claim 3-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Philip et al. (7,181,422 B1).

As per claim 3;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik et al. does not disclose:

Establishing a tranche structure for the linked first deal.

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However, Philip et al. discloses (Col. 9, lines 57-61) a rules definition process to define any asset class and pool/tranche structure.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the process of Philip et al.

One of ordinary skill in the art would have been motivated to do so in order to facilitate the management of financial assets.

As per claim 4;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

A method according to claim 3, wherein the tranche structure has a single tranche.

However, Philip et al. discloses (Col. 9, lines 57-61) a rules definition process to define any asset class and pool/tranche structure.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the process of Philip et al.

One of ordinary skill in the art would have been motivated to do so in order to facilitate the management of financial assets.

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As per claim 5;

Cobrinik et al discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik et al does not disclose:

A method according to claim 3, further comprising establishing a tranche structure for the linked second deal, wherein the tranche structure of the first linked deal is different from the tranche structure of the second deal.

However, Philip et al. discloses (Col. 9, lines 57-61) a rules definition process to define any asset class and pool/tranche structure.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the process of Philip et al.

One of ordinary skill in the art would have been motivated to do so in order to facilitate the management of financial assets.

8. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Official Notice.

As per claim 6;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

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Cobrinik does not disclose:

...wherein the first and second deals are formed at distinct and different times.

However, Official Notice is taken that it is old and well known in the art to form deals or collateralized debt obligations at distinct and different times.

Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to form deals or collateralized debt obligations at distinct and different times.

One of ordinary skill in the art would have been motivated to do so in order to maintain flexibility in structuring the portfolio in order to enhance returns or limit exposure to risk.

9. Claim 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Schultz et al. (6,687,681).

As per claim 7;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 1-+5-17 and 49-60).

Cobrinik et al. does not disclose:

A method according to claim 1, further comprising: after identifying the plurality of debt obligations, waiting a predetermined time before allowing any change of the at least one debt obligation in the index.

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However, Schultz, et al. discloses (Col. 4, lines 39-42) a predetermined schedule for rebalancing accounts.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik with the method of Schultz.

One of ordinary skill in the art would be motivated to do so in order to provide enhanced returns.

10. Claim 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Loeper (US 2005/0144108 A1).

As per claim 8;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik et al. does not disclose:

...establishing for different times, a maximum allowable rate of change to the index.

However, Loeper discloses (paragraph 0061), a method for changing the portfolio based on set limits and times.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Cobrinik et al. and Loeper.

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One of ordinary skill in the art would be motivated to do so in order to establish an asset management agreement that is specific to each client.

11. Claims 9, 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Nevo et al. (5,946,666).

As per claim 9;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...establishing a maximum value of deals that can be linked to the index.

However, Nevo et al. discloses (Col. 7, lines 3-11) a method of establishing a security index value profile.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Cobrinik et al. and Nevo et al.

One of ordinary skill in the art would be motivated to do so in order to establish an asset management agreement that is specific to each client.

As per claim 10;

Cobrinik et al. discloses:

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A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

A method according to claim 9, wherein the maximum value is a percentage of the total obligations that constitute the index.

However, Nevo et al. discloses (Col. 8, lines 18-19), using the previous day's high value as the maximum value. The examiner asserts that any value, when compared with another, is a percentage of that value.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the method of Nevo et al.

One of ordinary skill in the art would have been motivated to do so in order to set index parameters to facilitate portfolio management.

12. Claims 12 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Eckert et al. (2005/0069161 A1).

As per claim 12;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik et al. does not disclose:

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... establishing an asset management agreement between a sponsor and an asset manager, and managing the index according to terms of the agreement.

However, Eckert et al. discloses an investment management agreement between an athlete and a market originator (paragraph 0047) and the development and execution of the RTA or investment management agreement (paragraphs 0048, 0058 and 0059).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the method of Eckert et al.

One of ordinary skill in the art would be motivated to do so in order to provide client specific service.

As per claim 24;

Cobrinik et al. discloses:

A method for managing collateralized debt obligations, the method comprising: identifying a plurality of debt obligations, which together constitute an index and, linking a plurality of deals to the index (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik et al. does not disclose:

Establishing an asset management agreement between a sponsor and an asset manager and managing the index according to the terms of the agreement.

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However, Eckert et al. discloses an investment management agreement between an athlete and a market originator (paragraph 0047) and the development and execution of the RTA or investment management agreement (paragraphs 0048, 0058 and 0059).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the method of Eckert et al.

One of ordinary skill in the art would be motivated to do so in order to provide client specific service.

13. Claims 13 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Andrus et al. (2002/0156709 A1).

As per claim 13 and 17;

Cobrinik et al. discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...wherein the deal is a special purpose vehicle.

However, Andrus et al. discloses a special purpose vehicle chartered to hold the assets and liabilities of a single series of funds received from capital markets investors (paragraph 0017).

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Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to include the method of Cobrinik et al. with the features of Andrus et al.

One of ordinary skill in the art would be motivated to do so in order to offer a variety of securities in the portfolio.

14. Claims 14, 16, 18 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Joao (2002/0032586 A1).

As per claim 14;

Cobrinik discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...wherein the deal is a managed (credit-linked) note.

However, Joao discloses a credit-linked note created and issued to investors (paragraph 0020).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik with the method of Joao.

One of ordinary skill in the art would have been motivated to do so in order to offer a variety of securities in the portfolio.

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As per claim 16;

Cobrinik discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...wherein the deal is a swap.

However, Joao discloses a swap created and issued to investors (paragraph 0020).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik with the method of Joao.

One of ordinary skill in the art would be motivated to do so in order to offer a variety of securities in the portfolio.

As per claim 18 and a19;

Cobrinik discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...wherein the obligation of the linked deal is a debt or synthetic obligation.

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However, Joao discloses (paragraph 0020) a credit derivative being any one of a bond, note, securitized bond, securitized note, a swap, a credit swap, an option, a credit option...a credit linked note, etc.

Therefore, the examiner asserts that one of ordinary skill in the art would recognize that a debt or synthetic obligation is an obvious variant of a credit-linked note.

15. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Joao (2002/0032586 A1) further in view of BaFin (Federal Financial Supervisory Authority, Circular R 1/2002).

As per claim 15;

Cobrinik discloses:

A method according to claim 1 (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

...wherein the deal is a managed Schuldschein.

However, BaFin discloses (page 2, paragraph 5) that a Schuldschein is a credit-linked note.

Further, Joao discloses a credit-linked note created and issued to investors (paragraph 0020).

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Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik with the method of Joao and the Schuldschein disclosed by BaFin.

One of ordinary skill in the art would have been motivated to do so in order to offer a variety of securities in the portfolio.

16. Claim 20 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cobrinik et al. (7,231,364 B1) in view of Philip (7,181,422 B1) further in view of Eckert (2002/0069161 A1).

As per claim 20;

Cobrinik discloses:

A method for managing collateralized obligations, the method comprising:
identifying a plurality of debt obligations, which together constitute an index;
linking a first deal to the index;
linking a second deal to the index;
changing at least one debt obligation in the index; and
responsive to the change of the debt obligation in the index, changing an obligation of the linked first deal (See Col. 2, lines 31-44, Col. 4, lines 15-17 and 49-60).

Cobrinik does not disclose:

Establishing a tranche structure for the linked first deal.

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However, Philip et al. discloses (Col. 9, lines 57-61) a rules definition process to define any asset class and pool/tranche structure.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the process of Philip et al.

One of ordinary skill in the art would have been motivated to do so in order to facilitate the management of financial assets.

Cobrinik et al also does not disclose:

...establishing a tranche structure for the linked second deal, wherein the tranche structure of the first linked deal is different from the tranche structure of the second deal.

However, Philip et al. discloses (Col. 9, lines 57-61) a rules definition process to define any asset class and pool/tranche structure.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the method of Cobrinik et al. with the process of Philip et al.

One of ordinary skill in the art would have been motivated to do so in order to facilitate the management of financial assets.

Cobrinik et al. also does not disclose:

... establishing an asset management agreement between a sponsor and an asset manager and managing the index according to terms of the agreement.

However, Eckert et al. discloses an investment management agreement between an athlete and a market originator (paragraph 0047) and the development and execution of the RTA or investment management agreement (paragraphs 0048, 0058 and 0059).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Cobrinik et al. and Eckert et al.

One of ordinary skill in the art would be motivated to do so in order to provide client specific service.

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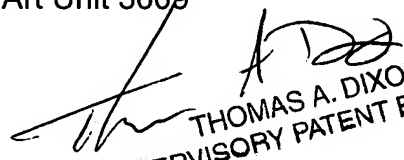
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to William E. Rankins whose telephone number is 571-270-3465. The examiner can normally be reached on M-F 7:30 AM - 5:00 PM, off alt Fridays beg 6/15/07.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

William E Rankins
Examiner
Art Unit 3609


THOMAS A. DIXON
SUPERVISORY PATENT EXAMINER